

**Edwards,Michelle**

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**From:** Rick Shagley [rshagley@wsfirm.com]  
**Sent:** Thursday, July 20, 2017 1:44 PM  
**To:** Edwards,Michelle; Azar, George; DeBaun,Curtis; Auler,Amy; Morris,Don; Nasser,Karrum; Elliott,Earl; Nation,Todd; Garrison,Neil; Crossen,Martha  
**Cc:** Kukla, Mike; Plant, Kelli; Bolin, Chad  
**Subject:** \*\*External\*\*SONY DADC Tax Abatement Compliance  
**Attachments:** SONY DADC\_001.pdf

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CITY CLERK

\*\*External Email - Think Before You Click\*\*  
To the Members of the City Council:

As you are aware, on July 14, 2016, a presentation was made by SONY DADC explaining its operations, product line, market overviews, market consolidation in Terre Haute, market consolidation in the industry, and the history of the tax abatement.

Please find attached my letter of July 20, 2017, updating the information relative to the tax abatement and SONY DADC's compliance therewith.

As you are also aware, SONY DADC has made over \$25 Million in property taxes net of these abatements.

It is SONY DADC's position that they have substantially complied with the Statement of Benefit forms. However, if you have any questions, please do not hesitate to contact me. I will be available on August 3, 2017, to answer any further questions in regard to this matter.

Thank you for your consideration.

--

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July 20, 2017

*-via email: Michelle.Edwards@TerreHaute.IN.Gov*

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Common Council of the City of Terre Haute  
c/o Michelle Edwards, Chief Deputy City Clerk  
17 Harding Ave.  
Room 102 City Hall  
Terre Haute, IN 47802

**RE: SONY DADC Tax Abatement Compliance**

To the Members of the City Council:

SONY DADC has received notice of the review of its Tax Abatement Compliance filings and that the City Council will make a determination as to whether SONY has not substantially complied with the Statement of Benefits, and that the failure to substantially comply was not caused by factors beyond the control of SONY (such as declines in demand for property owner's products and services), in accordance with Indiana Code 6-1.1-12.1-5.9.

In prior years, SONY DADC has given comprehensive reports on the status of its products and production. SONY DADC has updated this information as follows:

1. SONY has invested nearly \$0.5 Billion in real and personal property in Terre Haute, Indiana, including a new product lines for the Ultra HD Blu-ray for 4K televisions. SONY has invested over \$4 Million in these product lines and has not requested a Tax Abatement.
2. SONY DADC has paid its employees \$750 Million, which exceeds the Tax Abatement Commitments by \$150 Million.
3. SONY DADC has also exceeded the Abatement Employee Count Commitments by more than 2,000 jobs. Currently, it is projected that the full time positions at SONY will be 875 full time positions and 2 temporary positions, and is currently in the hiring process.
4. As you are aware, SONY DADC has consolidated its production lines at the plant in Terre Haute, Indiana, but continues to face strong competition in the marketplace due to seasonal markets, evolving technologies,

competition from other platform options, and other circumstances beyond its control.

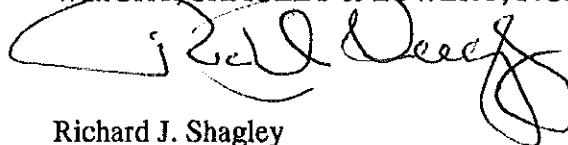
Under the circumstances, it would appear; therefore, that SONY DADC has substantially complied with the Statement of Benefit Forms. However, if the City Council would find otherwise, that the failure to substantially comply was caused by factors beyond the control of SONY, as provided by Indiana Code.

SONY DADC appreciates the City Council's support of its production facilities in Terre Haute, Indiana, which allows SONY DADC to make exceptional products that are technologically advanced and meet the continuing and evolving requirements of the marketplace.

If you have any questions in regard to the same, please do not hesitate to contact me.

Sincerely,

WRIGHT, SHAGLEY & LOWERY, P.C.

A handwritten signature in black ink, appearing to read "Richard J. Shagley", written over the printed name.

Richard J. Shagley

RJS/ja

CC: Chad Bolin, SONY DADC  
Mike Kula, SONY DADC